



INAUGURAL QUARTER / JULY - SEPTEMBER 2025

A positive first quarter, followed by a broader opportunity set.

The fund has completed its first three months with a positive absolute return and a result ahead of its benchmark. The portfolio is being rebalanced with a broader opportunity set for the new quarter.

7.84%

Q1 GROSS TOTAL RETURN

1 JULY - 30 SEPTEMBER 2025

6.13%

BENCHMARK

+1.71 pts

OUTPERFORMANCE

A\$107.84

A\$100 AT INCEPTION

Strong stock selection outweighed currency headwinds

Returns were led by Alphabet, Tencent, Taiwan Semiconductor Manufacturing, ASML and AstraZeneca. The first quarter also included meaningful gains from SK Hynix, Trip.com, BHP and Japanese financial exposure.

The Australian dollar reduced the price return by about 1.49 percentage points, while eligible dividends and distributions added about 0.56 percentage points to the quarter's gross total return.

TOP PRICE-RETURN CONTRIBUTORS

Alphabet	+2.25 pts
Tencent	+1.71 pts
TSMC	+1.10 pts

QUARTER-END POSITION

A\$100 -> A\$107.84

Benchmark: A\$106.13

PORTFOLIO AT 1 OCTOBER 2025

30 equities

4% cash | 18% Australia

REGIONAL ALLOCATION

United States	34%
Europe	21%
Australia	18%
Emerging markets	18%
Japan	5%
Cash	4%

NEW HOLDINGS

London Stock Exchange Group	4%
Cochlear	3%
CAR Group	3%
S&P Global	3%
Eli Lilly	3%
Intuitive Surgical	3%
Copart	3%
Evolution Mining	2%
MercadoLibre	2%



PERFORMANCE REVIEW

The inaugural quarter in numbers

The fund produced a 7.84% gross total return in Australian dollars for the quarter, compared with 6.13% for the benchmark. The result combines share-price movements, foreign exchange translation and eligible dividends or distributions.

7.84%

GROSS TOTAL RETURN

6.13%

BENCHMARK

+1.71 pts

EXCESS RETURN

9.34%

CONSTANT-CURRENCY TOTAL
RETURN

Where the return came from

Price-return contribution after FX. Headline return also includes eligible dividends and distributions.

Alphabet

Tencent

TSMC

ASML

CSL

Novo Nordisk

RELX

Booking Holdings

+2.25 pts

+1.71 pts

+1.10 pts

+0.92 pts

-0.85 pts

-0.52 pts

-0.41 pts

-0.26 pts

WHAT WORKED

Alphabet and Tencent were the largest contributors as cloud, advertising and platform economics combined with improving AI monetisation expectations.

TSMC and ASML added further strength as confidence in advanced-node and AI infrastructure demand remained high.

WHAT HELD BACK RETURNS

CSL, Novo Nordisk and RELX were the largest detractors. Each was reassessed against updated earnings expectations and competitive risks rather than treated mechanically because its share price fell.

Currency translation reduced the 8.77% constant-currency price return to 7.28% in Australian dollars before dividends.

PORTFOLIO CONSTRUCTION

How the inaugural portfolio was built

The starting portfolio was deliberately concentrated enough for stock selection to influence outcomes, while remaining diversified across regions, sectors and investment drivers. At inception, 94% was invested across 26 equities and 6% was held in cash.

QUALITY BEFORE NARRATIVE

The portfolio was not designed as a pure AI basket. It combined digital platforms and semiconductors with healthcare, financials, defence, industrial electrification, resources, travel and logistics real estate.

VALUATION AS A SIZING DISCIPLINE

Position sizes reflected both business quality and expectations already embedded in the share price. The largest initial positions were capped at 6%, with most holdings between 2% and 4%.

GLOBAL, WITH A DELIBERATE AUSTRALIAN ANCHOR

Australia began at 20% of the fund. The balance was spread across the United States, Europe, Japan, Canada and emerging markets, with no single non-Australian country dominating the portfolio.

INCEPTION REGIONAL ALLOCATION

United States	27%
Australia	20%
Europe	21%
Emerging markets	18%
Japan	6%
Canada	2%
Cash	6%

LARGEST STARTING POSITIONS

TSMC	6%
Alphabet	6%
CSL	5%
Microsoft	5%
Tencent	5%

Five examples of the starting investment logic

TSMC - 6%

Advanced-node foundry leadership and AI/HPC demand, with a valuation that did not appear to price in perfection.

Alphabet - 6%

A strong balance sheet, cloud growth and AI optionality at lower expectations than several mega-cap peers.

CSL - 5%

A high-quality global healthcare franchise after a material valuation reset, while earnings growth was still expected.

Microsoft - 5%

An exceptional enterprise franchise with Azure growth and unusually strong contracted revenue visibility.

Tencent - 5%

A profitable ecosystem with improving margins and AI monetisation potential at less demanding expectations than many US peers.



STOCK-LEVEL REVIEW

Performance changed prices; the rebalance responds to evidence.

The first-quarter review separates price movement from thesis change. A rising share price can reduce future expected return without weakening a business, while a falling share price can either create value or signal that the underlying thesis has deteriorated.

RERATED, STILL RETAINED

Alphabet **+37.5% AUD**

Weight reduced from 6% to 5%. The business remains a core holding, but the quarter's rerating raised the expectation burden.

ASML **+23.1% AUD**

Weight reduced from 4% to 2%. Lithography leadership remains exceptional, but valuation discipline supports a smaller position after the rise.

BHP **+12.8%**

Weight reduced from 4% to 3%. Copper optionality remains attractive, while commodity cyclicality and a stronger share price argue for moderation.

WEAKNESS, BUT NOT ONE ANSWER

CSL **-17.0%**

Weight reduced from 5% to 3%. The valuation improved, but the balance between recovery potential and execution risk became less compelling.

RELX **-13.8% AUD**

Held at 3%. Recurring data and workflow economics remain attractive despite weaker share-price performance.

Munich Re **-1.4% AUD**

Weight increased from 4% to 5%. Flat performance did not alter the favourable combination of capital strength, underwriting economics and valuation.

THESES WEAKENED ENOUGH TO EXIT

Novo Nordisk **-17.4% AUD**

Exited. The opportunity remains large, but competition and the ongoing expectation reset weakened the relative case versus other healthcare opportunities.

BYD **-7.2% AUD**

Exited. Scale remains exceptional, but intense EV competition and margin pressure reduced relative conviction.

Canadian Pacific **-6.3% AUD**

Exited. The long-duration rail thesis remains credible, but trade uncertainty and opportunity cost became more important.



1 OCTOBER 2025 REBALANCE

Nine new holdings broaden the opportunity set.

The fund enters its second quarter with 30 equities and 4% cash. The new positions add financial infrastructure, healthcare, marketplace businesses and Australian exposure without abandoning the portfolio's existing semiconductor and platform strengths.

London Stock Exchange Group 4%

Financial-market infrastructure and data spanning FTSE Russell, clearing, trading and analytics. Recurring revenues, proprietary datasets and switching costs support the largest new allocation.

Cochlear 3%

A global hearing-implant leader with an installed recipient base, clinical familiarity and recurring processor and service economics after a more restrained valuation.

CAR Group 3%

Automotive marketplaces with network effects, dealer relationships and international growth platforms. Valuation and overseas execution keep the initial weight moderate.

S&P Global 3%

Ratings, indices and market intelligence create capital-light, embedded data and benchmark franchises. Debt-issuance cyclicity and valuation remain constraints.

Eli Lilly 3%

Obesity and diabetes medicines provide a powerful growth runway, supported by a broader pipeline. High expectations, competition, capacity and reimbursement are key risks.

Intuitive Surgical 3%

Robotic surgery combines an installed system base with recurring instruments, accessories and service revenue. A demanding valuation prevents a larger starting weight.

Copart 3%

A scaled salvage-auction marketplace with network effects linking insurers, dismantlers and buyers. Cyclicity and valuation are balanced against durable economics.

Evolution Mining 2%

An improving operating and financial trajectory alongside a supportive gold backdrop. Commodity sensitivity and the rerating already delivered keep the position smaller.

MercadoLibre 2%

E-commerce, payments, logistics, credit and advertising create a powerful Latin American ecosystem. Credit, currency, political and valuation risks justify a smaller allocation.



REBALANCE DECISIONS

Capital is being reallocated, not simply rotated toward winners.

The rebalance reflects updated expected returns, thesis strength and opportunity cost as at 1 October 2025. It is intentionally not a momentum exercise: Munich Re is increased after a flat quarter, while several strong performers are retained at smaller weights.

INCREASED

AstraZeneca 4% -> 5%

Diversified pharmaceutical growth and a broad pipeline provide multiple earnings drivers without relying on a single product franchise.

Munich Re 4% -> 5%

Capital strength, underwriting discipline and a reasonable expectation set improve its relative ranking within financials.

EXITED

Macquarie Group 4% -> 0%

Breville Group 3% -> 0%

Novo Nordisk 3% -> 0%

Canadian Pacific Kansas City 2% -> 0%

BYD 2% -> 0%

Reductions

Position-size changes at today's rebalance

HOLDING	OLD	NEW	RATIONALE
Alphabet	6%	5%	Rerating raises the expectation burden; remains a core holding.
CSL	5%	3%	Execution and recovery uncertainty reduce relative conviction.
BHP Group	4%	3%	Retain copper and balance-sheet exposure with less cyclical risk.
Meta Platforms	4%	3%	Strong economics retained; capex and valuation argue for moderation.
Visa	4%	3%	Exceptional network economics, but opportunity cost has increased.
Eaton	3%	2%	Electrification thesis remains intact after a stronger valuation.
Booking Holdings	3%	2%	High-quality marketplace retained at a smaller weight.
ASML	4%	2%	Near-irreplaceable assets retained after a substantial rerating.
BAE Systems	3%	2%	Structural defence demand remains attractive; valuation is less forgiving.
Sony Group	3%	2%	Quality mix retained, with capital redirected to higher-ranked ideas.

CASH

6% -> 4%

The broader opportunity set supports deploying two percentage points of cash while preserving a modest reserve for valuation discipline and future opportunities.

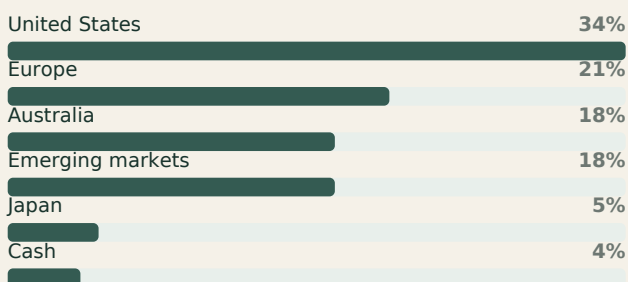


PORTFOLIO AFTER REBALANCE

The portfolio entering the December quarter

The rebalance increases the number of equity holdings from 26 to 30, reduces cash from 6% to 4%, and shifts capital toward financial infrastructure, healthcare and selected Australian opportunities.

REGIONAL ALLOCATION



PORTFOLIO CHARACTERISTICS

30	EQUITY HOLDINGS
4%	CASH
18%	AUSTRALIA
6%	LARGEST POSITION
5	EMERGING-MARKET HOLDINGS

Holdings and target weights

AUSTRALIA

Aristocrat Leisure	4%
CSL	3%
BHP Group	3%
Cochlear	3%
CAR Group	3%
Evolution Mining	2%

JAPAN

Mitsubishi UFJ Financial Group	3%
Sony Group	2%

UNITED STATES

Alphabet
Microsoft
Meta Platforms
Visa
S&P Global
Eli Lilly
Intuitive Surgical
Copart
Eaton
Booking Holdings
Prologis

EUROPE

AstraZeneca	5%
Munich Re	5%
London Stock Exchange Group	4%
RELX	3%
ASML	2%
BAE Systems	2%

EMERGING MARKETS

Taiwan Semiconductor Manufacturing	6%
Tencent Holdings	5%
SK Hynix	3%
Trip.com Group	2%
MercadoLibre	2%

CASH

4%



OUTLOOK

What we are watching as the second quarter begins

The investment environment remains supportive enough to stay substantially invested, but valuation, policy and geopolitical risks still warrant discipline. The portfolio enters the new quarter with a broader opportunity set and a 4% cash reserve.

MACRO AND MARKET BACKDROP

- Global growth has been more resilient than feared earlier in 2025, although tariff effects and policy uncertainty remain important downside risks.
- Monetary policy is moving further into an easing phase, while the policy path across major economies remains uneven and data dependent.
- AI-related capital expenditure and large technology franchises continue to support risk appetite, but elevated valuations raise the cost of disappointing earnings.
- China remains uneven, with weak domestic demand and policy support creating a mixed environment rather than a simple cyclical recovery.

PORTFOLIO PRIORITIES

- Maintain exposure to structural growth where competitive advantages and cash flows justify the valuation, rather than treating AI as a single-theme allocation.
- Balance expensive growth franchises with financial infrastructure, healthcare, insurance, resources and selected cyclical opportunities.
- Use position sizing to respond to changing expectations. Strong share-price performance is not automatically a sell signal, and weak performance is not automatically a buying opportunity.
- Keep enough cash to act when valuation or dislocation creates a clearly better expected-return opportunity.

PERFORMANCE AND METHODOLOGY NOTES

- Performance basis: The 7.84% headline figure is gross total return in Australian dollars, including eligible dividends and distributions. It is before fees, transaction costs, withholding tax, investor tax, franking credits and cash interest.
- Benchmark: 80% MSCI ACWI ex Australia Net Return AUD plus 20% S&P/ASX 200 Total Return, fixed from inception and rebalanced quarterly.
- Contribution analysis: Stock-level contribution figures are based on price returns translated to Australian dollars. They explain direction and attribution, while the headline return also includes dividends and distributions.
- Rebalancing: New target weights are applied to the fund's current net asset value. Proceeds from trims and exits remain inside the fund and are reallocated across the portfolio; only the explicit cash allocation remains uninvested.
- Pricing convention: Quarter-end and new-entry references use the last valid traded close available at the relevant market close, with local-market calendar differences respected.